

12/09

**COMMONWEALTH OF KENTUCKY
DEPARTMENT OF FINANCIAL INSTITUTIONS
INSTRUCTIONS FOR COMPLETION OF A CHANGE OF CONTROL FOR:**

CHECK CASHERS/DEFERRED DEPOSIT LICENSE

Please Mail Application to:

Department of Financial Institutions
1025 Capital Center Drive, Suite 200
Frankfort, KY 40601

BELOW IS PERTINENT INFORMATION NEEDED TO MAKE AN APPLICATION FOR A CHANGE OF CONTROL TO THE DEPARTMENT OF FINANCIAL INSTITUTIONS. PROCESSING TIME FOR A COMPLETED APPLICATION IS APPROXIMATELY 30 DAYS.

- A) KENTUCKY FINANCIAL SERVICES CODE CHAPTER 286.9 CAN BE FOUND ON THE DEPARTMENT'S WEBSITE AT www.kfi.ky.gov. PLEASE READ THIS THOROUGHLY BEFORE APPLYING FOR A CHANGE OF CONTROL. ANSWERS TO MANY APPLICANT'S FREQUENTLY ASKED QUESTIONS ARE PROVIDED IN THE RELEVANT STATUTES.
- B) THE CHANGE OF CONTROL FORM. THIS SHOULD BE COMPLETED AS INSTRUCTED, SIGNED AND NOTARIZED.
- C) STATE LICENSE CONFIRMATION FORM. THIS FORM IS ONLY FOR APPLICANTS WHO ARE CURRENTLY LICENSED AND OPERATING IN ANOTHER STATE (S). PLEASE COMPLETE THE "APPLICANT" PORTION AND FORWARD TO ALL APPLICABLE STATES.
- D) PURSUANT TO KRS 286.9-040, THE APPLICANT MUST FILE ONE OF THE FOLLOWING FINANCIAL INSTRUMENTS WITH THE DEPARTMENT TO OBTAIN A LICENSE:
 - 1) AN IRREVOCABLE LETTER OF CREDIT WHICH CAN BE OBTAINED FROM YOUR BANK, [KRS 286.9-040(1)(a)];
 - 2) A CORPORATE SURETY BOND [KRS 286.9-040(1)(b)];
 - 3) AN ACCOUNT PAYABLE TO THE COMMISSIONER, DEPARTMENT OF FINANCIAL INSTITUTIONS, IN A FEDERALLY INSURED FINANCIAL INSTITUTION IN THIS STATE [KRS 286.9-040(1)(c)] OR;
 - 4) A SAVINGS CERTIFICATE OF A FEDERALLY INSURED FINANCIAL INSTITUTION IN THIS STATE [KRS 286.9-.040(1)(d)]. YOUR BANK SHOULD COMPLETE THE ENCLOSED ESCROW AGREEMENT FORM.

THE FOLLOWING NAMES AND NUMBERS ARE LISTED FOR YOUR CONVENIENCE: You may call (502)-573-3390 and one of the extensions listed below.

LICENSING AND APPLICATION QUESTIONS – RODNEY GABBARD EXT. 251
EXAMINATION AND REGULATORY QUESTIONS – CHRIS THOMPSON EXT. 243
LEGAL OPINIONS – SIMON BERRY EXT. 232
CONSUMER COMPLAINTS – ANDIE CUBERT EXT. 226

KENTUCKY SECRETARY OF STATE - 502-564-3490

CHANGE OF CONTROL APPLICATION FOR A CHECK CASHERS/DEFERRED DEPOSIT LICENSE

COMPLETE ALL SCHEDULES USING AS MANY SEPARATE PAGES
AS NECESSARY TO COMPLETE APPLICATION. PLEASE NUMBER
EACH RESPONSE ACCORDING TO THE CATEGORY LISTED BELOW.
IF A QUESTION IS NOT APPLICABLE, PLEASE SO STATE.
PLEASE TYPE OR PRINT IN INK

INCOMPLETE OR UNANSWERED QUESTION MAY RESULT IN TIME
DELAYS OR RETURNED APPLICATIONS

DATE: _____

To the Commissioner, Kentucky Department of Financial Institutions:

The following Current Licensee hereby requests approval for a Change of Control **pursuant to KRS 286.9-070(5)**.

CURRENT LICENSEE _____

LICENSE NUMBER _____

AUTHORIZED SIGNATURE AND TITLE _____

The Current Licensee is seeking to transfer control of its check cashing license to the Applicant identified below.
The Applicant will conduct a CHECK CASHING/DEFERRED DEPOSIT TRANSACTION business as provided in
Kentucky Financial Services Code Chapter 286.9, at the following principal location*:

(Complete Legal Name of Entity to be licensed - to include Assumed Name "DBA")

(Street Address, Suite or Apartment Number)

(City or Town, County, Zip Code)

(Telephone Number) (FAX Number) (Email Address)

(Name of primary contact person to discuss application questions)

*Licenses are ADDRESS specific. Please provide the correct address of the proposed place of business. If you are
going to lease an office, PLEASE do so now. Most landlords will offer a lease on a "contingent" basis for potential
clients who are starting a business that requires licensing.

The following questions request information needed to enable the Commissioner of the Department of Financial
Institutions to determine the feasibility of permitting your firm to engage in operating a check casher/deferred
deposit business in accordance with KRS 286.9-040 and KRS 286.9-050:

1. Please state if the Applicant is presently engaged in the business of Check Cashing or Deferred Deposit Transactions in any other state. If YES, list the states in which Applicant is operating, the type of license held, and the date business was commenced in these states. Fill out the enclosed STATE LICENSE CONFIRMATION form and forward to all states in which you are currently licensed.

YES _____ NO _____ OTHER STATES _____

2.
 - a) If INDIVIDUAL (SOLE PROPRIETOR) is applying, please give complete name (first, middle/maiden, last), social security number, residence address and phone number, and business address and phone number.
 - b) If PARTNERSHIP or a LLP is applying, please give complete name, social security number, residence address and phone number, business address and phone number, and PERCENT of ownership of each partner.
 - c) If CORPORATION or a LLC is applying, please give complete name, social security number, residence address and phone number, business address and phone number and PERCENT of ownership of every officer, director, member, supervisory employee, and each person owning five percent (5%) or more of the company's stock.
3.
 - a) If INDIVIDUAL is applying, please submit a copy of the required local business registration. If you are operating as a sole proprietorship using an Assumed Name i.e. "dba", the dba has to be registered with the local government office in which the licensee will be operating. A copy of the registration must be sent to the Department.
 - b) If PARTNERSHIP, LLP, CORPORATION or LLC is applying, please submit file stamped copies of, all business filings submitted to the KENTUCKY SECRETARY OF STATE. Out of State Corporations shall obtain a Certificate of Authority to do business in Kentucky. Please include corporate tax I.D. number.
4. If the principal office of the Applicant is located outside Kentucky, please list complete street address, mailing address (if different), phone number and fax number.
5. Submit current (within 90 days) financial statements of the Applicant that have been audited by a Certified Public Accountant.
6. Submit a resume of all the owners, officers, directors, supervisory employees, members, managers, and each person owning five percent (5%) or more of the company's stock.
7. Submit current, signed and dated, financial statements on each person listed in response to question six (6). The financial statements do not have to be prepared by a CPA.
8. Submit name, address, telephone number, and electronic mail address of the Applicant's Registered Agent in Kentucky.
9. Enclose a notarized copy of the purchase agreement or assignment signed and dated by both the Current Licensee and the Applicant.
10. If the Applicant is currently engaged, or intends to engage, in any business other than that allowed by KRS Chapter 286.9, please state the name and type of business conducted.
11. If any other entity is conducting business at the proposed licensed location(s), please state the name and type of business conducted.
12. Pursuant to KRS 286.9-060(3), the Applicant shall comply with all workers and unemployment compensation laws of Kentucky. Please submit copies of documentation evidencing Applicant's compliance with said laws.

13. List the name and address of any AFFILIATES (businesses with common ownership) of the Applicant.

14. a. Has the Applicant or any of its employees, agents, officers, members, managers, directors, or shareholders owning 5% or more of the company stock **ever** been **convicted** in any state or federal court of any crime (not including minor traffic violations)?

YES_____ NO_____

- b. Has the Applicant or any of its employees, agents, officers, members, managers, shareholders owning 5% or more of the company stock or directors ever been the subject of any disciplinary actions (cease and desist orders, consent orders, injunctions, license suspensions, or revocation, etc.) by any regulatory agency, state or federal?

YES_____ NO_____

- c. Has the Applicant or any of its employees, agents, officers, members, managers, shareholders owning 5% or more of the company stock or directors ever been refused any license (except motor vehicle operator) by the Department of Financial Institutions or any other state or federal government agency or has such an application ever been withdrawn?

YES_____ NO_____

- d. Has the Applicant or any of its employees, agents, officers, members, managers, shareholders owning 5% or more of the company stock or directors ever been a party to litigation in which it was alleged that they engaged in fraudulent or dishonest conduct or failed to comply with any state or federal regulatory requirements or committed any act, omission, or practice which constitutes a breach of fiduciary duty or committed any breach of contract or tort relating to their business dealings?

YES_____ NO_____

If the answer to any of the foregoing is YES, explain the circumstances fully, using as many additional sheets as necessary. Please include any pertinent documentation.

15. If any of the owners of the Applicant know of any derogatory information on their personal credit report, please have the individual submit a written explanation and any pertinent documentation (paid receipts, agreed orders, etc.).

16. Please submit one of the financial instruments required by KRS Chapter 286.9-040.

17. Please submit a copy of the Applicant's proposed fee disclosure which must include the disclosures required by 12 C.F.R. Section 226, also known as "Reg. Z".

18. If you are not a currently licensed Check Cashier in the state of Kentucky please submit an investigation fee of five hundred dollars (\$500) along with the completed application. This fee shall not be subject to refund. The check shall be made payable to the KENTUCKY STATE TREASURER.

IMPORTANT NOTES: (avoid violations and monetary penalties/fines – READ KRS Chapter 286.9)

- A) EACH LICENSEE SHALL RENEW ANNUALLY ON OR BEFORE JULY 1st. RENEWAL NOTICES WILL BE SENT TO THE PRINCIPAL OFFICE. THE RENEWAL FEE WILL BE \$500 PER LICENSED LOCATION.
- B) THE DEPARTMENT SHALL BE NOTIFIED 15 DAYS IN ADVANCE IN THE EVENT OF A NAME CHANGE OR ADDRESS CHANGE.

SIGNATURE AND NOTARY PAGE FOR APPLICATION

AND

CONSENT TO REQUEST CREDIT REPORT

As a part of its statutory responsibility, the Department of Financial Institutions is authorized to investigate Applicants to determine eligibility for licensing. The Department is authorized generally to investigate any audits, examinations, complaints, reports, etc., suggesting the possibility of unlawful activity involving regulated institutions. In the course of its investigations, the Department of Financial Institutions may procure or cause to be prepared a consumer credit report on individual(s) or entity (ties).

The undersigned has informed each and every person or entity (whose names appear on the application) involved in the proposed enterprise that the Department of Financial Institutions may procure or cause to be prepared a consumer credit report on him/her/it. The undersigned is authorized by each and every person or entity named on the application to give permission for the Department of Financial Institutions to procure or cause to be prepared such a report. In accordance with that authorization and permission, the undersigned, for himself or herself and as a representative and agent for each and every person or entity involved in this enterprise, acknowledges and gives permission for the Department of Financial Institutions to procure or cause to be prepared a consumer credit report on each and every person or entity involved in this application during the licensing process and any time thereafter should the Department be required to investigate any audits, examinations, complaints, reports, etc., suggesting the possibility of unlawful activity.

Authorized Signature and Title

STATE OF _____
COUNTY OF _____

I, _____, hereby declare on my oath that I have
(Name of person signing application) executed this application and that the facts stated in the application
are true and correct. I further state that I have read and will comply with Kentucky Financial Services Code
Chapter 286.9.

Signature of Applicant

Subscribed and sworn to before me this
_____ day of _____, 2_____.

Notary Public - State at Large
My Commission Expires: _____